

1 AN ACT in relation to public employee benefits.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Pension Code is amended by
5 changing Sections 14-104, 15-113.3, 16-128, and 17-134 as
6 follows:

7 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

8 Sec. 14-104. Service for which contributions permitted.
9 Contributions provided for in this Section shall cover the
10 period of service granted. Except as otherwise provided in
11 this Section, the contributions shall be based upon the
12 employee's compensation and contribution rate in effect on
13 the date he last became a member of the System; provided that
14 for all employment prior to January 1, 1969 the contribution
15 rate shall be that in effect for a noncovered employee on the
16 date he last became a member of the System. Except as
17 otherwise provided in this Section, contributions permitted
18 under this Section shall include regular interest from the
19 date an employee last became a member of the System to the
20 date of payment.

21 These contributions must be paid in full before
22 retirement either in a lump sum or in installment payments in
23 accordance with such rules as may be adopted by the board.

24 (a) Any member may make contributions as required in
25 this Section for any period of service, subsequent to the
26 date of establishment, but prior to the date of membership.

27 (b) Any employee who had been previously excluded from
28 membership because of age at entry and subsequently became
29 eligible may elect to make contributions as required in this
30 Section for the period of service during which he was
31 ineligible.

1 (c) An employee of the Department of Insurance who,
2 after January 1, 1944 but prior to becoming eligible for
3 membership, received salary from funds of insurance companies
4 in the process of rehabilitation, liquidation, conservation
5 or dissolution, may elect to make contributions as required
6 in this Section for such service.

7 (d) Any employee who rendered service in a State office
8 to which he was elected, or rendered service in the elective
9 office of Clerk of the Appellate Court prior to the date he
10 became a member, may make contributions for such service as
11 required in this Section. Any member who served by
12 appointment of the Governor under the Civil Administrative
13 Code of Illinois and did not participate in this System may
14 make contributions as required in this Section for such
15 service.

16 (e) Any person employed by the United States government
17 or any instrumentality or agency thereof from January 1, 1942
18 through November 15, 1946 as the result of a transfer from
19 State service by executive order of the President of the
20 United States shall be entitled to prior service credit
21 covering the period from January 1, 1942 through December 31,
22 1943 as provided for in this Article and to membership
23 service credit for the period from January 1, 1944 through
24 November 15, 1946 by making the contributions required in
25 this Section. A person so employed on January 1, 1944 but
26 whose employment began after January 1, 1942 may qualify for
27 prior service and membership service credit under the same
28 conditions.

29 (f) An employee of the Department of Labor of the State
30 of Illinois who performed services for and under the
31 supervision of that Department prior to January 1, 1944 but
32 who was compensated for those services directly by federal
33 funds and not by a warrant of the Auditor of Public Accounts
34 paid by the State Treasurer may establish credit for such

1 employment by making the contributions required in this
2 Section. An employee of the Department of Agriculture of the
3 State of Illinois, who performed services for and under the
4 supervision of that Department prior to June 1, 1963, but was
5 compensated for those services directly by federal funds and
6 not paid by a warrant of the Auditor of Public Accounts paid
7 by the State Treasurer, and who did not contribute to any
8 other public employee retirement system for such service, may
9 establish credit for such employment by making the
10 contributions required in this Section.

11 (g) Any employee who executed a waiver of membership
12 within 60 days prior to January 1, 1944 may, at any time
13 while in the service of a department, file with the board a
14 rescission of such waiver. Upon making the contributions
15 required by this Section, the member shall be granted the
16 creditable service that would have been received if the
17 waiver had not been executed.

18 (h) Until May 1, 1990, an employee who was employed on a
19 full-time basis by a regional planning commission for at
20 least 5 continuous years may establish creditable service for
21 such employment by making the contributions required under
22 this Section, provided that any credits earned by the
23 employee in the commission's retirement plan have been
24 terminated.

25 (i) Any person who rendered full time contractual
26 services to the General Assembly as a member of a legislative
27 staff may establish service credit for up to 8 years of such
28 services by making the contributions required under this
29 Section, provided that application therefor is made not later
30 than July 1, 1991.

31 (j) By paying the contributions otherwise required under
32 this Section, plus an amount determined by the Board to be
33 equal to the employer's normal cost of the benefit plus
34 interest, but with all of the interest calculated at the rate

1 of 5% per year, compounded annually, from the date the
2 employee last became a member of the System or November 19,
3 1991, whichever is later, to the date of payment, an employee
4 may establish service credit for a period of up to 2 years
5 spent in active military service for which he does not
6 qualify for credit under Section 14-105, provided that (1) he
7 was not dishonorably discharged from such military service,
8 and (2) the amount of service credit established by a member
9 under this subsection (j), when added to the amount of
10 military service credit granted to the member under
11 subsection (b) of Section 14-105, shall not exceed 5 years.
12 The changes ~~change~~ in the manner of calculating interest
13 under this subsection (j) made by Public Act 92-54 and this
14 amendatory Act of the 93rd ~~92nd~~ General Assembly apply
15 ~~applies~~ to credit purchased by an employee on or after their
16 respective ~~its~~ effective dates and do ~~date-and-does~~ not
17 entitle any person to a refund of contributions or interest
18 already paid.

19 (k) An employee who was employed on a full-time basis by
20 the Illinois State's Attorneys Association Statewide
21 Appellate Assistance Service LEAA-ILEC grant project prior to
22 the time that project became the State's Attorneys Appellate
23 Service Commission, now the Office of the State's Attorneys
24 Appellate Prosecutor, an agency of State government, may
25 establish creditable service for not more than 60 months
26 service for such employment by making contributions required
27 under this Section.

28 (l) By paying the contributions otherwise required under
29 this Section, plus an amount determined by the Board to be
30 equal to the employer's normal cost of the benefit plus
31 interest, a member may establish service credit for periods
32 of less than one year spent on authorized leave of absence
33 from service, provided that (1) the period of leave began on
34 or after January 1, 1982 and (2) any credit established by

1 the member for the period of leave in any other public
2 employee retirement system has been terminated. A member may
3 establish service credit under this subsection for more than
4 one period of authorized leave, and in that case the total
5 period of service credit established by the member under this
6 subsection may exceed one year. In determining the
7 contributions required for establishing service credit under
8 this subsection, the interest shall be calculated from the
9 beginning of the leave of absence to the date of payment.

10 (m) Any person who rendered contractual services to a
11 member of the General Assembly as a worker in the member's
12 district office may establish creditable service for up to 3
13 years of those contractual services by making the
14 contributions required under this Section. The System shall
15 determine a full-time salary equivalent for the purpose of
16 calculating the required contribution. To establish credit
17 under this subsection, the applicant must apply to the System
18 by March 1, 1998.

19 (n) Any person who rendered contractual services to a
20 member of the General Assembly as a worker providing
21 constituent services to persons in the member's district may
22 establish creditable service for up to 8 years of those
23 contractual services by making the contributions required
24 under this Section. The System shall determine a full-time
25 salary equivalent for the purpose of calculating the required
26 contribution. To establish credit under this subsection, the
27 applicant must apply to the System by March 1, 1998.

28 (o) A member who participated in the Illinois
29 Legislative Staff Internship Program may establish creditable
30 service for up to one year of that participation by making
31 the contribution required under this Section. The System
32 shall determine a full-time salary equivalent for the purpose
33 of calculating the required contribution. Credit may not be
34 established under this subsection for any period for which

1 service credit is established under any other provision of
2 this Code.

3 (Source: P.A. 92-54, eff. 7-12-01.)

4 (40 ILCS 5/15-113.3) (from Ch. 108 1/2, par. 15-113.3)

5 Sec. 15-113.3. Service for periods of military service.

6 "Service for periods of military service": Those periods,
7 not exceeding 5 years, during which a person served in the
8 armed forces of the United States, of which all but 2 years
9 must have immediately followed a period of employment with an
10 employer under this System or the State Employees' Retirement
11 System of Illinois; provided that the person received a
12 discharge other than dishonorable and again became an
13 employee under this System within one year after discharge.
14 However, for the up to 2 years of military service not
15 immediately following employment, the applicant must make
16 contributions to the System (1) at the rates provided in
17 Section 15-157 based upon the employee's basic compensation
18 on the last date as a participating employee prior to such
19 military service, or on the first date as a participating
20 employee after such military service, whichever is greater,
21 plus (2) an amount determined by the board to be equal to the
22 employer's normal cost of the benefits accrued for such
23 military service, plus (3) interest on items (1) and (2) at
24 the effective rate from the date the person last became an
25 employee or November 19, 1991, whichever is later, later-of
26 the-date-of-first-membership-in-the-System--or--the--date--of
27 conclusion-of-military-service to the date of payment.

28 The change in the manner of calculating interest under
29 this Section made by this amendatory Act of the 93rd General
30 Assembly applies to credit purchased by an employee on or
31 after its effective date and does not entitle any person to a
32 refund of contributions or interest already paid.

33 The change in the required contribution for purchased

1 military credit made by Public Act 87-1265 ~~this-amendatory~~
2 ~~Act-of-1993~~ does not entitle any person to a refund of
3 contributions already paid.

4 The changes to this Section made by Public Act 87-794
5 ~~this-amendatory-Act-of-1991-shall~~ apply not only to persons
6 who on or after its effective date are in service under the
7 System, but also to persons whose employment terminated prior
8 to that date, whether or not the person is an annuitant on
9 that date. In the case of an annuitant who applies for
10 credit allowable under this Section for a period of military
11 service that did not immediately follow employment, and who
12 has made the required contributions for such credit, the
13 annuity shall be recalculated to include the additional
14 service credit, with the increase taking effect on the date
15 the System received written notification of the annuitant's
16 intent to purchase the credit, if payment of all the required
17 contributions is made within 60 days of such notice, or else
18 on the first annuity payment date following the date of
19 payment of the required contributions. In calculating the
20 automatic annual increase for an annuity that has been
21 recalculated under this Section, the increase attributable to
22 the additional service allowable under Public Act 87-794 ~~this~~
23 ~~amendatory-Act-of-1991~~ shall be included in the calculation
24 of automatic annual increases accruing after the effective
25 date of the recalculation.

26 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

27 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

28 Sec. 16-128. Creditable service - required
29 contributions.

30 (a) Except as otherwise provided in this Section, in
31 order to receive the creditable service specified under
32 subsection (b) of Section 16-127, a member is required to
33 make the following contributions:

1 (i) an amount equal to the contributions which
 2 would have been required had such service been rendered
 3 as a member under this System;

4 (ii) for military service not immediately following
 5 employment as a teacher and for service established under
 6 subdivision (b)(10) of Section 16-127, an amount
 7 determined by the Board to be equal to the employer's
 8 normal cost of the benefits accrued for such service; and

9 (iii) interest from the date the contributions
 10 would have been due ~~(or, in the case of a person~~
 11 ~~establishing credit for military service under~~
 12 ~~subdivision (b)(3) of Section 16-127, the date of first~~
 13 ~~membership in the System, if that date is later)~~ to the
 14 date of payment, at the following rate of interest,
 15 compounded annually: for periods prior to July 1, 1965,
 16 regular interest; from July 1, 1965 to June 30, 1977, 4%
 17 per year; on and after July 1, 1977, regular interest.

18 (a-5) Beginning on the effective date of this amendatory
 19 Act of the 93rd General Assembly, a member must pay the
 20 contributions specified in subsection (a) in order to
 21 establish credit under subdivision (b)(3) of Section 16-127
 22 for any military service not immediately following employment
 23 as a teacher; however, contributions are required for a
 24 member to establish credit for other military service
 25 permitted under subdivision (b)(3) of Section 16-127 only if
 26 the period of military service ends before the effective date
 27 of this amendatory Act.

28 Beginning on the effective date of this amendatory Act of
 29 the 93rd General Assembly, rather than the interest described
 30 in subdivision (a)(iii), a person establishing credit for
 31 military service not immediately following employment as a
 32 teacher under subdivision (b)(3) of Section 16-127 shall pay
 33 interest at the rate of 5% per year, compounded annually,
 34 from the date the person last became a participant in this

1 System or November 19, 1991, whichever is later, to the date
2 of payment.

3 The changes made by this amendatory Act of the 93rd
4 General Assembly in the contributions and interest required
5 for military service credit do not entitle any person to a
6 refund of contributions or interest already paid.

7 (b) In order to receive creditable service under
8 paragraph (2) of subsection (b) of Section 16-127 for those
9 who were not members on June 30, 1963, the minimum required
10 contribution shall be \$420 per year of service together with
11 interest at 4% per year compounded annually from July 1,
12 preceding the date of membership until June 30, 1977 and at
13 regular interest compounded annually thereafter to the date
14 of payment.

15 (c) In determining the contribution required in order to
16 receive creditable service under paragraph (3) of subsection
17 (b) of Section 16-127, the salary rate for the remainder of
18 the school term in which a member enters military service
19 shall be assumed to be equal to the member's salary rate at
20 the time of entering military service. However, for military
21 service not immediately following employment, the salary rate
22 on the last date as a participating teacher prior to such
23 military service, or on the first date as a participating
24 teacher after such military service, whichever is greater,
25 shall be assumed to be equal to the member's salary rate at
26 the time of entering military service. For each school term
27 thereafter, the member's salary rate shall be assumed to be
28 5% higher than the salary rate in the previous school term.

29 (d) In determining the contribution required in order to
30 receive creditable service under paragraph (5) of subsection
31 (b) of Section 16-127, a member's salary rate during the
32 period for which credit is being established shall be assumed
33 to be equal to the member's last salary rate immediately
34 preceding that period.

1 (d-5) For each year of service credit to be established
2 under subsection (b-1) of Section 16-127, a member is
3 required to contribute to the System (i) 16.5% of the annual
4 salary rate during the first year of full-time employment as
5 a teacher under this Article following the private school
6 service, plus (ii) interest thereon from the date of first
7 full-time employment as a teacher under this Article
8 following the private school service to the date of payment,
9 compounded annually, at the rate of 8.5% per year for periods
10 before the effective date of this amendatory Act of the 92nd
11 General Assembly, and for subsequent periods at a rate equal
12 to the System's actuarially assumed rate of return on
13 investments.

14 (e) The contributions required under this Section may be
15 made from the date the statement for such creditable service
16 is issued until retirement date. All such required
17 contributions must be made before any retirement annuity is
18 granted.

19 (Source: P.A. 92-867, eff. 1-3-03.)

20 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)
21 Sec. 17-134. Contributions for leaves of absence;
22 military service; computing service. In computing service
23 for pension purposes the following periods of service shall
24 stand in lieu of a like number of years of teaching service
25 upon payment therefor in the manner hereinafter provided: (a)
26 time spent on a leave of absence granted by the employer; (b)
27 service with teacher or labor organizations based upon
28 special leaves of absence therefor granted by an Employer;
29 (c) a maximum of 5 years spent in the military service of the
30 United States, of which up to 2 years may have been served
31 outside the pension period; (d) unused sick days at
32 termination of service to a maximum of 244 days; (e) time
33 lost due to layoff and curtailment of the school term from

1 June 6 through June 21, 1976; and (f) time spent after June
2 30, 1982 as a member of the Board of Education, if required
3 to resign from an administrative or teaching position in
4 order to qualify as a member of the Board of Education.

5 (1) For time spent on or after September 6, 1948 on
6 sabbatical leaves of absence or sick leaves, for which
7 salaries are paid, an Employer shall make payroll
8 deductions at the applicable rates in effect during such
9 periods.

10 (2) For time spent on a leave of absence granted by
11 the employer for which no salaries are paid, teachers
12 desiring credit therefor shall pay the required
13 contributions at the rates in effect during such periods
14 as though they were in teaching service. If an Employer
15 pays salary for vacations which occur during a teacher's
16 sick leave or maternity or paternity leave without
17 salary, vacation pay for which the teacher would have
18 qualified while in active service shall be considered
19 part of the teacher's total salary for pension purposes.
20 No more than 36 months of leave credit may be allowed any
21 person during the entire term of service. Sabbatical
22 leave credit shall be limited to the time the person on
23 leave without salary under an Employer's rules is allowed
24 to engage in an activity for which he receives salary or
25 compensation.

26 (3) For time spent prior to September 6, 1948, on
27 sabbatical leaves of absence or sick leaves for which
28 salaries were paid, teachers desiring service credit
29 therefor shall pay the required contributions at the
30 maximum applicable rates in effect during such periods.

31 (4) For service with teacher or labor organizations
32 authorized by special leaves of absence, for which no
33 payroll deductions are made by an Employer, teachers
34 desiring service credit therefor shall contribute to the

1 Fund upon the basis of the actual salary received from
2 such organizations at the percentage rates in effect
3 during such periods for certified positions with such
4 Employer. To the extent the actual salary exceeds the
5 regular salary, which shall be defined as the salary
6 rate, as calculated by the Board, in effect for the
7 teacher's regular position in teaching service on
8 September 1, 1983 or on the effective date of the leave
9 with the organization, whichever is later, the
10 organization shall pay to the Fund the employer's normal
11 cost as set by the Board on the increment.

12 (5) Except as otherwise provided in this paragraph
13 (5), for time spent in the military service, teachers
14 entitled to and desiring credit therefor shall contribute
15 the amount required for each year of service or fraction
16 thereof at the rates in force (a) at the date of
17 appointment, or (b) on return to teaching service as a
18 regularly certified teacher, as the case may be; provided
19 such rates shall not be less than \$450 per year of
20 service. These conditions shall apply unless an Employer
21 elects to and does pay into the Fund the amount which
22 would have been due from such person had he been employed
23 as a teacher during such time. In the case of credit for
24 military service not during the pension period, the
25 teacher must also pay to the Fund an amount determined by
26 the Board to be equal to the employer's normal cost of
27 the benefits accrued from such service, plus interest
28 thereon at the rate of 5% per year, compounded annually,
29 from the date the teacher last became a participant in
30 this Fund or November 19, 1991, whichever is later, of
31 appointment to the date of payment.

32 Beginning on the effective date of this amendatory
33 Act of the 93rd General Assembly, the contributions
34 specified in this paragraph (5) are required for a member

1 to establish credit for military service served during
2 the pension period only if the period of military service
3 ends before the effective date of this amendatory Act of
4 the 93rd General Assembly; however, a member must pay the
5 contributions specified in this paragraph (5) in order to
6 establish credit for any military service served outside
7 the pension period. The changes in the required
8 contributions and interest for military service credit
9 made by this amendatory Act of the 93rd General Assembly
10 do not entitle any person to a refund of contributions or
11 interest already paid.

12 The changes to this Section made by Public Act
13 87-795 shall apply not only to persons who on or after
14 its effective date are in service under the Fund, but
15 also to persons whose status as a teacher terminated
16 prior to that date, whether or not the person is an
17 annuitant on that date. In the case of an annuitant who
18 applies for credit allowable under this Section for a
19 period of military service that did not immediately
20 follow employment, and who has made the required
21 contributions for such credit, the annuity shall be
22 recalculated to include the additional service credit,
23 with the increase taking effect on the date the Fund
24 received written notification of the annuitant's intent
25 to purchase the credit, if payment of all the required
26 contributions is made within 60 days of such notice, or
27 else on the first annuity payment date following the date
28 of payment of the required contributions. In calculating
29 the automatic annual increase for an annuity that has
30 been recalculated under this Section, the increase
31 attributable to the additional service allowable under
32 this amendatory Act of 1991 shall be included in the
33 calculation of automatic annual increases accruing after
34 the effective date of the recalculation.

1 The total credit for military service shall not
2 exceed 5 years, except that any teacher who on July 1,
3 1963, had validated credit for more than 5 years of
4 military service shall be entitled to the total amount of
5 such credit.

6 (6) A maximum of 244 unused sick days credited to
7 his account by an Employer on the date of termination of
8 employment. Members, upon verification of unused sick
9 days, may add this service time to total creditable
10 service.

11 (7) In all cases where time spent on leave is
12 creditable and no payroll deductions therefor are made by
13 an Employer, persons desiring service credit shall make
14 the required contributions directly to the Fund.

15 (8) For time lost without pay due to layoff and
16 curtailment of the school term from June 6 through June
17 21, 1976, as provided in item (e) of the first paragraph
18 of this Section, persons who were contributors on the
19 days immediately preceding such layoff shall receive
20 credit upon paying to the Fund a contribution based on
21 the rates of compensation and employee contributions in
22 effect at the time of such layoff, together with an
23 additional amount equal to 12.2% of the compensation
24 computed for such period of layoff, plus interest on the
25 entire amount at 5% per annum from January 1, 1978 to the
26 date of payment. If such contribution is paid, salary
27 for pension purposes for any year in which such a layoff
28 occurred shall include the compensation recognized for
29 purposes of computing that contribution.

30 (9) For time spent after June 30, 1982, as a
31 nonsalaried member of the Board of Education, if required
32 to resign from an administrative or teaching position in
33 order to qualify as a member of the Board of Education,
34 an administrator or teacher desiring credit therefor

1 shall pay the required contributions at the rates and
2 salaries in effect during such periods as though the
3 member were in service.

4 Effective September 1, 1974, the interest charged for
5 validation of service described in paragraphs (2) through (5)
6 of this Section shall be compounded annually at a rate of 5%
7 commencing one year after the termination of the leave or
8 return to service.

9 (Source: P.A. 92-599, eff. 6-28-02.)

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.27 as follows:

12 (30 ILCS 805/8.27 new)

13 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6
14 and 8 of this Act, no reimbursement by the State is required
15 for the implementation of any mandate created by this
16 amendatory Act of the 93rd General Assembly.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.